



**DEPARTMENT OF FINANCE & BUDGET
INTEROFFICE MEMORANDUM**

TO: Board of County Commissioners
VIA: Terry Shannon, County Administrator *TL*
FROM: Tim Hayden, Director of Finance and Budget *TH*
SUBJECT: Public Hearing: Budget Adjustment - Use of 2014 Bond Sale Premium
DATE: August 6, 2014

BACKGROUND:

The County received a premium of \$439,533.90 from the May 2014 bond sale. Based on the amount of bonds sold by project type, 64% or \$281,301.70 is attributable to general fund projects and 36% or \$158,232.20 is for Water and Sewer fund projects.

DISCUSSION:

This premium should be thought of as an offset of future interest payments. A premium is received when bonds are sold to lower the effective interest rate on the deal.

The County's general fund contribution to the capital projects fund amounted to \$2.8 million in FY 2014. Staff recommends using the \$281,301.70 to lower that transfer.

Staff recommends using the premium attributable to the Water and Sewer fund, to lower future years' bond sales. The Solomons' waste water treatment plant is recommended as the recipient for the water and sewer portion.

RECOMMENDATION:

It is recommended that following any public comment, the Board close the record, approve BA741 and sign the related budget resolution.

**A RESOLUTION PERTAINING TO APPROVAL OF
BUDGET ADJUSTMENT #BA741**

WHEREAS, Title 5 of the Code of Public Local Laws of Calvert County, Maryland, being Title 5 of *Article 5* of the Code of Public Laws of Maryland (hereinafter, the “Code”), authorizes and empowers the Board of County Commissioners of Calvert County, Maryland (hereinafter, the “Board of County Commissioners”) to adopt the Annual Budget and Appropriation Act each year;

WHEREAS, the Board of County Commissioners has the authority pursuant to Section 5-103 of the Code, to enact certain budgetary adjustments by Resolution;

WHEREAS, the Department of Finance and Budget has advised the Board of County Commissioners that the premium associated with the 2014 bond sale could be used to lower the General fund’s contribution to the Capital Projects fund and reduce future indebtedness of the Water and Sewer, Enterprise Fund;

WHEREAS, a public hearing regarding this Budget Adjustment #BA741 was duly advertised in two County newspapers for two consecutive weeks before the public hearing as required by Section 5-103(c) of the Code and held on August 19, 2014, at which time the Board of County Commissioners received public comment; and

WHEREAS, upon due consideration of the comments of the public and staff and in furtherance of the public health, safety and welfare, the Board of County Commissioners find that it is in the best interest of the public health, safety and welfare of the citizens of Calvert County, Maryland, to amend the operating budgets as set forth herein.

NOW, THEREFORE, BE IT RESOLVED, that the Board of County Commissioners of Calvert County, Maryland, hereby approves and enacts the appropriations and expenditures set forth in Budget Adjustment #BA741, a copy of which is attached hereto and made a part hereof, in the total amount of \$439,534 to allocate bond premium to lower the General fund’s contribution to the Capital Projects fund and reduce future indebtedness of the Water and Sewer Fund.

BE IT FURTHER RESOLVED by the Board of County Commissioners of Calvert County, Maryland that, in the event any portion of this Resolution is found to be unconstitutional, illegal, null or void, it is the intent of the Board of County Commissioners to sever only the invalid portion or provision, and that the remainder of the Resolution shall be enforceable and valid.

BE IT FURTHER RESOLVED, by the Board of County Commissioners of Calvert County, Maryland that the foregoing recitals are adopted as if fully rewritten herein.

BE IT FURTHER RESOLVED, by the Board of County Commissioners of Calvert County, Maryland that this Resolution shall be effective upon recordation without publication of a fair summary.

DONE, this _____ day of _____, 2014, by the Board of County Commissioners of Calvert County, Maryland, sitting in regular session.

Aye: _____

Nay: _____

Absent/Abstain: _____

ATTEST:

**BOARD OF COUNTY COMMISSIONERS
OF CALVERT COUNTY, MARYLAND**

Maureen Frederick, Clerk

Pat Nutter, President

Steven R. Weems, Vice President

Approved for form and legal sufficiency
on August 12, 2014 by:

Gerald W. Clark



John B. Norris, County Attorney

Susan Shaw

Evan K. Slaughenhaupt Jr.

COMMISSIONERS OF CALVERT COUNTY, MARYLAND

BUDGET ADJUSTMENT NO. 741

POSTED BY : _____

APPROVED BY _____

DATE: _____

FY14**Fiscal Year Ending June 30, 2014**[illegible]